

Department of Legislative Services  
Maryland General Assembly  
2018 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 1126  
Economic Matters

(Delegates Lisanti and Impallaria)

Finance

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Public Service Commission - Application for Certificate of Public Convenience  
and Necessity - Criteria to Consider

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This bill requires the Public Service Commission (PSC) to consider, for an application for a Certificate of Public Convenience and Necessity (CPCN) for a proposed overhead transmission line, the alternative routes that the CPCN applicant considered, including the estimated capital and operating costs of each alternative route and a statement of the reason why the alternative route was rejected. The bill also clarifies that PSC must consider, when applicable, the effect on air *quality*, rather than air *pollution*, of a proposed project during the CPCN process. The bill must be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any CPCN applications before the bill's effective date.

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Fiscal Summary

**State Effect:** PSC can handle the bill's requirements with existing budgeted resources. The bill does not otherwise materially affect State finances or operations.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** Generally, a person may not begin construction in the State of a generating station, overhead transmission line, or a qualified generator lead line (project) unless a CPCN is first obtained from PSC. The application process involves notifying specified

stakeholders, public hearings, and the consideration of recommendations by State and local government entities and the project's effect on various aspects of the State infrastructure, economy, and environment. There are conditions under which a person constructing a generating station may apply to PSC for an exemption from the CPCN requirement.

PSC must take final action on a CPCN application only after due consideration of recommendations of the governing body of each county or municipality in which any portion of the project is proposed to be located and various aspects of the State infrastructure, economy, and environment. For example, PSC must consider the effect of the project on the stability and reliability of the electric system and, when applicable, air and water pollution.

For the construction of an overhead transmission line, PSC must also (1) consider the need to meet existing and future electric demand and (2) require as an ongoing condition of the CPCN that the applicant comply with specified agreements and obligations related to the ongoing operation and maintenance of the overhead transmission line.

**Background:** The licensing of new electric power plants in the State is a comprehensive two-part process involving PSC and several other State agencies, *e.g.*, the Department of Natural Resources and the Maryland Department of the Environment. PSC is the lead agency for licensing the siting, construction, and operation of power plants in the State.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Public Service Commission; Maryland Department of the Environment; Department of Natural Resources; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2018  
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